

Industry news: Saving healthcare costs by cutting processing time

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A new partnership between healthbridge and Digital Archiving Systems (DAS) could see the medical industry saving R237 million a year following the pilot launch of a processing bureau to cut the cost of processing paper-based claims.

Reduced medical aid premiums could be the likely result of South Africa's leading real-time medical claims switch partnering with one of country's foremost enterprise content management (ECM) firms.

Healthbridge links together all role players in South African healthcare by facilitating claims processing between 8 000 medical practices and medical administrators.

While 80% of medical claims processing takes place electronically, many doctors and health providers are still pushing paper with the associated expense and accuracy issues.

"Turning paper into electronic data in the medical industry has historically meant employing individuals to painstakingly key in line after line of patient information," explained Ronald Melmed, MD of DAS.

This time consuming and labour intensive process has pushed up the cost of processing each claim to around R20. This unnecessarily high cost is shared by the practice and the administrator.

The sophisticated character recognition software and digital archiving capabilities employed in the new DAS processing bureau should cut the cost of processing paper-based claims to just R5.

Says healthbridge CEO Gerrie Van Zyl, "Small administrators can't hope to buy and implement the software themselves. It would cost millions and take up to two years to train people to use it. In fact, the huge initial costs of making transactions electronic are why 20% of all claims are still paper. This partnership with DAS means that there are no initial costs to small medical aid administrators."

healthbridge's Paul Kent, who is spearheading the partnership says that a pilot is already well underway with one of the leading managed care companies and the bureau could well be up and running by the end of the year. "We've tested the waters and administrators are very excited about what digital processing can do for their businesses. We've seen a strong interest and commitment from smaller administrators."

Van Zyl predicts that the savings administrators will make will bear directly on the consumer. "It's such a competitive market, that these savings will inevitably translate to lower premiums. It's going to give the pricing edge to many administrators and bring down costs across the spectrum. It'll also mean that administrators and practices can be more profitable and that the end client gets a better service."

healthbridge was started in 2000 and despite fierce competition, became the leader in its field. Says Van Zyl, "we're about coming up with innovative ways that administrators can eliminate wasted costs, so all rands can be spent on making people better. Its important to align ourselves with industry leaders because it comes down to delivering the best solutions to our administrator clients."

"We're not about to take risks," he continues. "DAS have shown themselves to be the market leaders in the field in South Africa. Their technical ability and experience are, to my mind, unparalleled." That's why this looks to be the beginning of a beautiful friendship as both companies use their expertise to increase the value and clinical effectiveness of South Africa's

managed care industry.

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